Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006

Message Text

LIMITED OFFICIAL USE

PAGE 01 MANILA 01178 280422Z

70
ACTION EB-07

INFO OCT-01 AF-06 ARA-06 EUR-12 EA-06 ISO-00 IO-10 AGR-05

CEA-01 CIAE-00 COME-00 DODE-00 FRB-03 H-01 INR-07

INT-05 L-02 LAB-04 NSAE-00 NSC-05 PA-01 RSC-01 AID-05

CIEP-01 SS-15 STR-01 TAR-01 TRSE-00 USIA-06 PRS-01

SP-02 OMB-01 FEA-01 /117 W
---------- 058707
R 280249Z JAN 75
FM AMEMBASSY MANILA
TO SECSTATE WASHDC 143
INFO AMEMBASSY ASUNCION
AMEMBASSY BLANTYRE
AMEMBASSY BOGOTA
AMEMBASSY BRASILIA
AMEMBASSY BRIDGETOWN
AMEMBASSY BUENOS AIRES
AMEMBASSY CARACAS
AMEMBASSY GEORGETOWN
AMEMBASSY LAPAZ
AMEMBASSY LIMA
AMEMBASSY LONDON
AMEMBASSY MANAGUA
AMEMBASSY MBABANE
AMEMBASSY MEXICO CITY
AMEMBASSY PANAMA
AMEMBASSY PORT LOUIS
AMEMBASSY PORT OF SAPAIN
AMEMBASSY PRETORIA
AMEMBASSY SAN JOSE
AMEMABASSY SAN SALVADOR
AMEMBASSY SUVA
AMEMBASSY TAIPEI
AMEMBASSY TEGUCIGALPA
AMCONGEN BELIZE
AMCONGEN DURBAN
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 MANILA 01178 280422Z

AMCONGEN RIO DE JANEIRO

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006

LIMITED OFFICIAL USE MANILA 1178

E.O. 11652: N/A
TAGS: ETRD, EAGR
SUBJECT: SUGAR SHIPMENTS TO THE UNITED STATES

REF: STATE 017047

1. REFTEL, WHICH EXPRESSES CONCERN ABOUT BRAZIL'S INTENTION TO SHIFT ITS SUGAR EXPORTS TO THE HIGHEST BIDDER, REQUESTS EMBASSIES IN OTHER SUGAR EXPORTING COUNTRIES TO MAKE REPRESENTATIONS TO HOST GOVERNMENTS. ESSENCE OF REPRESENTATION IS TO REMIND THESE GOVERNMENTS THAT, SHOULD THE U.S. EVER REVERT TO A POLICY OF SUGAR IMPORT QUOTAS, DETERMINATION OF QUOTAS WOULD "ALMOST CERTAINLY BE BASED ON PERFORMANCE IN SUPPLYING U.S. MARKET WHEN IT IS WIDE OPEN."

2. THIS INSTRUCTION REFLECTS AN AMBIGUITY IN U.S. SUGAR POLICY WHICH POSES A SERIOUS DILEMMA FOR U.S. REPRESENTATIVES IN SUGAR EXPORTING COUNTRIES. WE ARE, ON THE ONE HANFTN SOLEMNLY ASSURED BY WASHINGTON THAT OUR POLICY IS IRREVOCABLY COMMITTED TO THE OPEN MARKET. ON THE OTHER HAND, WE ARE ASKED TO RAISE THE SPECTER THAT WE WILL PROBABLY CLOSE THAT MARKET IN THE FUTURE BY RE-INSTITUTION OF IMPORT QUOTAS.

3. IN THE INSTANCE OF THE PHILIPPINES, AT ABOUT THE SAME TIME AS THE COLLAPSE OF THE U.S. SUGAR QUOTA SYSTEM, ALL EXPORT SUGAR SALES WERE PLACED UNDER CONTROL OF THE PHILIPPINE NATIONAL BANK (PNB) ACTING AS THE AGENT OF THE GOVERNMENT OF THE PHILIPPINES. THIS MEANS THAT SUGAR CAN BE DIRECTED WHEREVER THE GOVERNMENT WISHES IT TO GO, SO LONG AS CURRENT SELLER'S MARKET PERSISTS. DECISION ON DIRECTION OF SALES WILL BE GOVERNED IN LARGER MEASURE BY MARKET PRICES, BUT GOVERNMENT IS NOT RPT NOT INSENSITIVE TO SUCH LONGER RANGE CONSIDERATIONS AS ARE RAISED IN REFTEL.
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 MANILA 01178 280422Z

3. IN FACT, GOP OFFICIALS HAVE REPEATEDLY ASSURED US THAT THEY WISH TO MAINTAIN THEIR EXCELLENT RECORD OF PERFORMANCE IN THE U.S. MARKET. ONLY LAST WEEK, DURING MANILA VISIT OF ASST SEC AGRICULTURE YEUTTER, PNB OFFICIALS PLAINTIVELY ASKED HOW THEY COULD OBTAIN OFFERS OF LONG-TERM CONTRACTS WITH AMERICAN SUGAR IMPORTERS. MARKET HERE IS RIFE WITH RUMORS THAT FIVE-YEAR CONTRACTS

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006

ARE BEING NEGOTIATED BY U.S. IMPORTERS WITH AUSTRALIA, TAIWAN, ETC. HOWEVER, TO OUR KNOWLEDGE, NO RPT NO OVERTURES HAVE BEEN MADE TO THE PHILIPPINES.

4. CONSEQUENTLY, RATHER THAN APPROACH PHILIPPINE AUTHORITIES WITH LIGHTLY DISGUISED THREAT WHICH REVEALS AMBIGUITY OF OUR OWN POLICY, WE WOULD FIND IT MUCH MORE COMPELLING AND HELPFUL IF WE COULD BE ASKED TO INFORM GOP THAT U.S. SUGAR TRADE IS EAGER TO NEGOTIATE LONG-TERM CONTRACTS FOR SUPPLY OF PHILIPPINE SUGAR. IT WOULD BE ESPECIALLY USEFUL IF WE COULD INDICATE THAT U.S. DEPARTMENT OF AGRICULTURE IS ENCOURAGING U.S. BUYERS TO MAKE SUCH OFFERS, OR EVEN WILLING TO TAKE SOME INITIATIVE TO SEND, OR PERHAPS LEADN OUR INDUSTRY NEGOTIATING TEAM TO MANILA FOR THIS PURPOSE. IT IS OUR CONVICTION THAT WE WOULD FIND THE GOP FAR MORE POSITIVELY RESPONSIVE TO THIS SORT OF APPROACH THAN TO THE MENACE IMPLICIT IN THE DEPARTMENT'S INSTRUCTION.
SULLIVAN

LIMITED OFFICIAL USE

NNN

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: SUGAR, IMPORT QUOTAS
Control Number: n/a
Copy: SINGLE
Draft Date: 28 JAN 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975MANILA01178
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750030-0863
From: MANILA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750115/aaaaamsr.tel
Line Count: 134
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 75 STATE 017047
Review Action: RELEASED, APPROVED
Review Authority: GolinoFR
Review Comment: n/a
Review Content Flags:
Review Date: 25 JUN 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <25 JUN 2003 by ShawDG>; APPROVED <26 JUN 2003 by GolinoFR>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: SUGAR SHIPMENTS TO THE UNITED STATES
TAGS: ETRD, EAGR, US, RP, BR
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006